

How Renters Insurance Works

What is renters insurance?

Renters insurance (also called tenant insurance) offers coverage similar to homeowner insurance for people who rent living space. Living space may include an apartment, condominium, single-family home or multi-family home, such as a duplex. Renters insurance is normally a special “package” that combines coverage for:

- Personal liability (protection against claims someone else makes against you)
- Premises medical coverage (pays the medical expenses of others accidentally injured on the property you rent)
- Additional living expense (pays for your living expenses if the living space you rent is deemed unlivable)
- Personal property (contents) coverage (standard renter policies only cover the actual cash value at the time of the loss)

It does not cover the building, but it may cover any improvements you add (such as built-in book shelves or room partitions).

Personal property (contents) limits you should know about

The following is a sample list of items in a renters policy that typically include a specific dollar limit:

- Money
- Securities (such as stocks and bonds)
- Watercraft
- Trailers
- Jewelry
- Silverware
- Goldware
- Pewterware
- Business property

Be sure to talk to your agent about items with specific limitations. The limits in your policy may be less than the value of your property, so you may want to buy a special rider or endorsement to cover it.

Other coverage you can buy with a renters policy

You may want to buy additional coverage, called endorsements. The following is a list of some of the typical endorsements available through a renters policy:

- Full value contents coverage (also called replacement cost coverage)
- Scheduled personal property (to insure jewelry, furs, cameras, musical instruments, silverware, guns, fine art, postage stamps, coin collections, and some sporting goods)
- Increased limits for business property (the property you use to run your business with)
- Business merchandise coverage (goods or items you sell or buy)
- Volunteer coverage (if you volunteer, this protects you from someone who makes a claim against you for damages you cause while you are volunteering)
- Outboard motor liability
- Incidental business liability (if you have a home business, this protects you from claims someone makes against you that relate to your business)

Renters insurance for college students

If you are a college student who rents an off-campus apartment or house while away at school, you should think about buying renters insurance. This coverage will protect your personal property if it gets damaged, destroyed or stolen, such as your computer, television, stereo, bicycle, or furniture.

Even if you are a dependent under your parent's insurance, your personal property, in many cases, is not covered if you live off-campus. Your parents should check their policy or contact their insurance agent to see if their homeowner insurance will protect you while you are away at school.

The landlord's insurance coverage

The landlord generally buys insurance coverage to protect his or her interest, such as the building, loss of rents, liability, etc. It does not cover your property.

Things to think about when you buy renters insurance

- Always compare coverage and price. Policies can vary from company to company, and so can the price. Shop for the best coverage that is affordable for you.
- Think about replacement cost coverage. The standard renters policy covers the actual cash value of your contents (i.e. used value) at the time of loss. Replacement cost coverage pays the actual cost to replace your property with a like kind and quality product. This means your insurance company will initially pay you for the used value of your item. After you buy the replacement item, your insurance company will pay you the difference between the used value and the actual replacement cost.

- Renters insurance will not cover some catastrophic losses, such as earthquakes and floods. You may be able to buy these coverages through an endorsement. Check with your agent. You also may be able to buy flood coverage through the National Flood Insurance Program (NFIP). For more information, contact your agent, or the NFIP at 1-888-FLOOD29 (1-888-356-6329), or on the Web at <http://www.fema.org>.
- Some companies will only offer renters insurance if you buy all of your insurance from them, such as automobile coverage.
- Check your rental or lease contract with the landlord. The landlord may require you to carry specific limits of insurance for specific coverages, such as liability coverage. The landlord also may want you to name him or her as an additional insured for liability coverage on your renters policy.

For more information about renters insurance, read the National Association of Insurance Commissioner's consumer alert on [From Homeowner to Renter - Things to Consider](#).

The Office of the Insurance Commissioner can help you!

If you have any questions or need additional information about your rights, call our Insurance Consumer Hotline at

1-800-562-6900

or visit our Web site at

<http://www.insurance.wa.gov/>